

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2021 - Fitness Club Membership Tax Credit (LSB 5113 HH)
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Fiscal Note Version – New
Requested by Representative Roger Thomas

Description

House File 2021 provides an individual income tax credit for the purchase of membership in or the use of services/facilities of a fitness club. The tax credit is available for volunteer firefighters and members of the Iowa National Guard and is limited to the lower of \$100 or 25.0% of the purchase cost.

Fitness club is defined in Section 422.12, Code of Iowa, and includes health spas, sports and health clubs, tennis clubs, racquetball courts, golf clubs, gymnasiums, figure salons, health studies, and weight control studios. A private club owned and operated by its members is not included.

Assumptions

1. There are 9,500 National Guard members in Iowa.
2. There are 18,000 volunteer firefighters in Iowa.
3. Thirty-two percent of National Guard and volunteer firefighters currently belong to a fitness club as defined in the Bill either as individuals or as part of a family membership.
4. Annual fitness club membership costs exceed \$400 per year. To account for those memberships under \$400 as well as those that do not have sufficient state tax liability to utilize the full credit, an average benefit of \$90.00 is used.

Fiscal Impact

The estimated fiscal impact of the tax credit provided in HF 2021 is a reduction in net General Fund revenue of \$792,000 per year beginning in FY 2009.

Sources

Department of Revenue
Iowa National Guard
Iowa Fire Service Training Bureau
International Racquet & Sportsclub Association survey results

/s/ Holly M. Lyons

February 11, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
